

## **BUSINESS CONNECTIONS:** **JOBS, TOP COMPANIES, MERGERS &** **ACQUISITIONS AND AGRICULTURE**

### **A. Jobs**

- Trade, tourism and investment create jobs. At least 1.5 million jobs and approximately 6,000 companies in both countries depend on our relationship.
- The United States and Germany support the largest and second largest workforces worldwide through their foreign affiliates: U.S. affiliates employ 9 million workers while German affiliates employ 4.6 million worldwide.

#### **U.S. Job Creation in Germany**

- 1,200 U.S. firms operate in Germany, accounting for 345,000 jobs. About 7 percent of the nearly 9 million jobs created by U.S. affiliates worldwide were in Germany.
- One out of every 35 German private sector employees works for a U.S. company in Germany.
- Our military alone is a substantial employer in Germany. Counting all branches of our military and Pentagon civilian employees, the U.S. has nearly 73,000 Americans stationed in Germany.

#### **German Job Creation in the U.S.**

- There are more than 3,400 German companies in the United States, with more than 789,000 employees. Germany is the second largest European employer of Americans.
- Approximately one in 200 Americans working in the private sector works for a German firm. German-owned U.S. businesses accounted for 11 percent of U.S. employees of all foreign-owned U.S. businesses.
- German affiliates in the U.S. account for more than 15% of all manufacturing jobs supported by foreign firms in the United States. Only Japan had a larger American workforce in manufacturing jobs.
- German affiliates also employed 29,000 Americans in R&D-related jobs.
- American workers for German firms enjoy high wages and high labor and environmental standards. German affiliates generated a payroll of \$48.2 billion in 2005

-- with an average annual compensation (wages and benefits) per worker of \$73,500 compared to the average compensation of \$66,000 paid by all foreign affiliates operating in the United States.

- The top five U.S. states in terms of employment by German firms are Michigan (75,500 jobs), California (52,600), New York (44,800), Pennsylvania (42,300) and Ohio (36,400).

## B. Top Companies

- Both Germany and the United States represent sizable markets for each other's largest corporations. In numerous cases, a seat in Germany serves as an American multinational's European or Central European headquarters while a location in the United States gives German companies a foothold in the North American market.
- Of the top 50 American affiliates in Germany, seven were located in Munich.
- More than 10,000 people work for each of the top ten employers in AmCham Germany's ranking. These ten companies employ a total of more than 214,000 people in Germany, which constitutes roughly 25 percent of all jobs created by U.S. companies.
- The top German employers in the United States employ more than 270,000 Americans.

### Top U.S. Employers in Germany (2008)

Company	Estimated employees (2007)
McDonald's Deutschland Inc.	58,000
Opel	25103
Ford-Werke GmbH	24,000
Burger King GmbH	23,000
IBM Gruppe Deutschland	21,000
United Parcel Service Deutschland Inc. & Co. OHG	15,000
Procter & Gamble	15,000
Coca-Cola Deutschland	12,000
TRW Automotive Gruppe	11,000
Johnson Controls	10,000

### Top German Employers in U.S. (2007)

Company	Estimated employees	German Parent Company
Siemens USA Holdings	67,000	Siemens AG
The Great Atlantic & Pacific Tea Company Inc.	50,000	Tengelmann Group
Fresenius Medical Care Holdings Inc.	37,541	Fresenius SE

T-Mobile USA	29,000	Deutsche Telekom AG
ThyssenKrupp USA Inc.	25,000	ThyssenKrupp AG
Robert Bosch LLC	17,700	Robert Bosch GmbH
Bayer Corp.	17,200	Bayer AG
Bertelsmann Inc.	17,000	Bertelsmann AG
BASF Corp.	13,275	BASF AG

- The automobile manufacturer Ford-Werke tops the list of the Top U.S. companies in Germany in 2008 with €19.7 billion in sales in Germany.
- The oil group ExxonMobil Central Holding GmbH, better known under the name of its sales branch, Esso, is the second largest U.S. company in Germany with an estimated 2008 sales figure of €15.2 billion. In 2007, ExxonMobil Central Holding had still €18 billion in sales.
- Rounding out the Top 3, Adam Opel GmbH (General Motors) had estimated sales of €13 billion.
- The Top 3 companies alone account for almost one-third of the total sales of the Top 50 companies (€162 billion).
- Positions four and five in the ranking are held by ConocoPhillips Continental Holding GmbH, with estimated sales of €13 billion, and the IBM Group with an estimated €9.3 billion in sales in 2008.
- GE Deutschland reached sixth place with estimated sales of €9.2 billion followed by, Philip Morris with sales of €6.2 billion.
- The remaining companies in the top 10 are Hewlett Packard GmbH with €5 billion in sales; Dow Group Germany with sales of €4.8 billion, and Proctor and Gamble Holding GmbH with estimated sales of €4.6 billion.
- Of the top 50 German affiliates in the United States, the most common locations were New Jersey (8), New York (6), Michigan (6) and Pennsylvania (5).

**Top 10 U.S. Companies in Germany by 2008 Sales**

<b>Company</b>	<b>Estimated Sales in 2008 (in mio €)</b>
Ford-Werke GmbH	19,762
ExxonMobil Central Europe Holding GmbH	15,200
Adam Opel *)	13,000
ConocoPhillips Germany *)	13,000
IBM Gruppe Deutschland *)	9,300

GE Deutschland *)	9,200
Philip Morris GmbH	6,268
Hewlett-Packard GmbH	5,000
Dow Group Germany *)	4,835
Procter & Gamble *)	4,600

*The sales ranking is based upon survey responses provided by businesses to AmCham Germany or upon estimates made by AmCham Germany, which are noted above.*

*\*) In cases where no corporate entity is given (e.g., GmbH, AG or KG), the sales are generally combined from multiple sources; that is, from various associated companies.*

## C. Mergers and Acquisitions

- Businesses often seek growth and a stronger market position through mergers and acquisitions. Germany and United States share similar market conditions, business and legal cultures, and comparable technology and infrastructure. Those factors help make companies in Germany and the United States attractive partners for business combinations.
- In 2007, German and U.S. firms achieved mergers and acquisitions deals running into the billions.

### U.S.-German M&A deals with values over \$ 300 million completed in 2007

Target company	Target nation	Target industry	Acquiring company	Value (\$ million)
Fresenius AG	Germany	Chemicals/pharmaceuticals	APP Pharmaceuticals LLC	4600
Henkel KGaA	Germany	Chemicals/pharmaceuticals	National Starch & Chemical Corp.	3700
Allianz AG	Germany	Insurances	Hartford Financial Services Group, Inc.	2500
General Dynamics Corporation	U.S.	Aerospace	Jet Aviation Handling AG	2250
JC Flowers & Co.	U.S.	Financial Services	Hypo Real Estate Holding AG	1100
Münchener Rückversicherungs AG	Germany	Insurances	Hartford Steam Boiler Inspection and Insurance Company	742
Lone Star Inc.	U.S.	Financial Services	Deutsche Post AG	700
Robert Bosch GmbH	Germany	Electronics	ErSol Solar Energy AG	546
Boehringer Ingelheim GmbH	Germany	Chemicals/pharmaceuticals	Actimis Pharmaceuticals Inc.	515
RWE AG	Germany	Energy/waste management industry	Excelerate Energy	350

Source: St. Gallen University, Institute of Management

## D. Agriculture

### United States and Germany are Important Partners in Agriculture

- Trade (both commercial and agricultural) is an integral component of the relationship between the United States and Germany. As the largest economy in the European Union (EU) and the second largest importer of food and agricultural products in the world, Germany plays a major role in forming EU agricultural policy and serves as an important market for U.S. agricultural exports.
- The Foreign Agricultural Service (FAS), which is the international arm of the U.S. Department of Agriculture, ensures that the U.S. Mission in Germany establishes strong business/governmental relationships that enable the U.S. agricultural sector to achieve its trade objectives, particularly in the realm of market access.
- FAS also provides the U.S. Mission the analytical support and trade policy expertise to strengthen the U.S. bilateral relationship with the German government and ensures that U.S. agricultural exports to Germany continue to grow in Europe's largest economy.

### U.S./German Agricultural Trade Balance

- Germany is the largest market for U.S. agricultural exports to the EU. In 2008, German imports of agricultural products (including forest products) totaled \$93.6 billion. The United States' share of this market totaled nearly \$2.2 billion. Overall, Germany was the 8th largest market for U.S. agricultural exports during this period.
- The top U.S. agricultural exports to Germany were soybeans, tree nut products, seafood, vegetable oils, wood products, wine, and other consumer oriented products. Germany accounts for 15.3 percent of total U.S. agricultural exports to the EU.
- Contrastingly, the United States is the second largest export market for German agricultural products outside of the EU. In 2008, Germany's agricultural exports to the United States totaled nearly \$1.9 billion, mostly in the form of coffee, wood products, beer, and other consumer oriented products. German agricultural exports account for more than 11 percent of the total EU agricultural exports to the United States.

Selected U.S. Exports to Germany in CY 2008			Selected German Exports to the U.S. in CY 2008		
	Commodity	\$ (US Dollars)		Commodity	\$ (US Dollars)
1	SOYBEANS	753,160,270	1	COFFEE	304,436,732
2	TREE NUTS	296,856,450	2	CONIFEROUS WOOD	206,633,872
3	OTHER SEAFOOD	181,470,221	3	BEER	147,245,933
4	OTHER INTERMEDIATE	135,540,835	4	WINE	146,660,143
5	TOBACCO	129,613,578	5	ENZYMES	69,892,542

<b>6</b>	OTHER CONSUMER ORIENTED	103,085,243	<b>6</b>	FOOD PREPARATIONS	66,371,674
<b>7</b>	PROCESSED FRUIT & VEG	97,289,588	<b>7</b>	LIVE ANIMALS	58,407,545
<b>8</b>	PANEL/PLYWOOD PRODUCTS	66,102,502	<b>8</b>	COOKIES	44,547,487
<b>9</b>	LOGS AND CHIPS	53,945,628	<b>9</b>	SUGAR CONFECTION	40,979,291
<b>10</b>	WINE & BEER	49,090,563	<b>10</b>	HOPS	39,269,961
	<b>Other</b>	428,895,560		<b>Other</b>	728,228,176
	<b>Total</b>	<b>2,295,050,438</b>		<b>Total</b>	<b>1,852,673,356</b>

Source: Global Trade Atlas

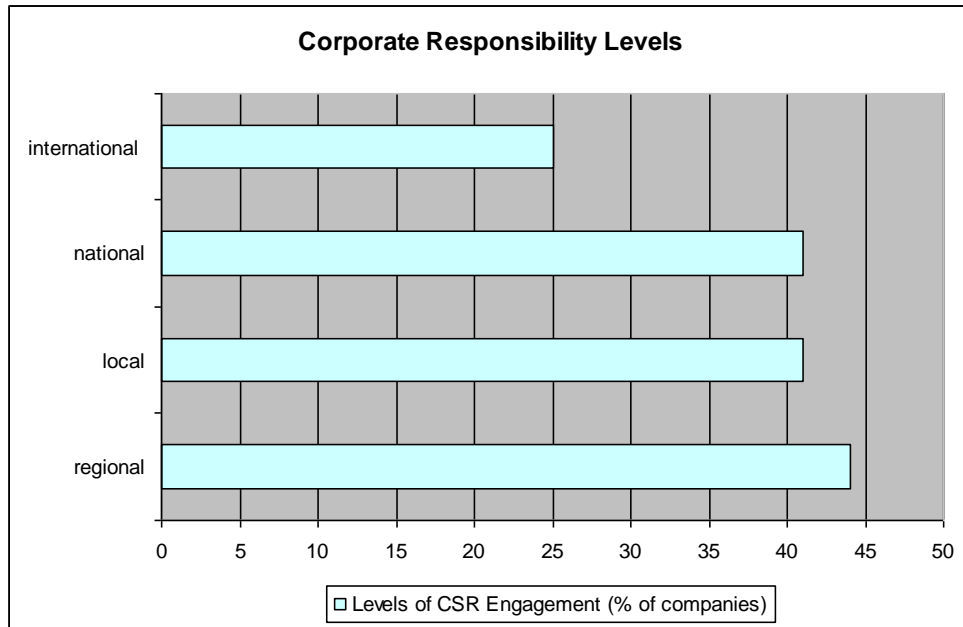
## Wide U.S. Interest in German Agricultural Market

- The FAS Office in Berlin works in conjunction with non-profit U.S. agricultural trade associations, agricultural cooperatives, non-profit state-regional trade groups, small U.S. businesses to share the costs of overseas marketing and promotional activities such as consumer promotions, research, trade shows, and trade servicing.
- Approximately 40 U.S. organizations operate USDA-funded marketing programs in Germany. Participants include the California Wine Institute, the Almond Board, Cranberry Marketing Association, American Soybean Association, Alaska Seafood Marketing Institute and the California Walnut Commission.

## E. Corporate Social Responsibility

### Levels of Engagement in CSR Activities in Germany

- U.S. corporations in Germany have become more focused in their social responsibility efforts in recent years.
- 41% of U.S. businesses in Germany responded that they are equally active on local, regional and national levels.
- International Corporate Responsibility activities are more uncommon with approximately 25% of businesses participating. One factor may be that international activities are often taxed by the corporate headquarters and again by the individual subsidiaries of the companies.

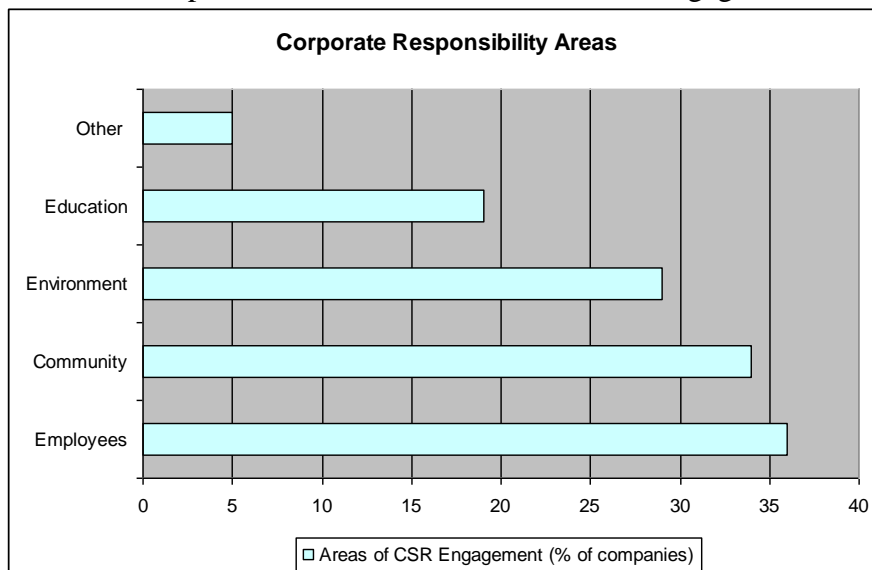


Survey question\*: “Where does your company place its focus on Corporate Social Responsibility Activities in Germany?” (local, regional, national, international)

\*Note: Multiple answers could be given. 64 responses were evaluated.

### Areas of Engagement in CSR Activities in Germany

- 56% of U.S. companies in Germany polled indicated a focus on employees, 53% focus on community involvement and 45% focus on environmental activities.
- Another 30% of companies focus on education while 8% engage in other CSR activities.



Survey question: “Where does your company place its focus on Corporate Social Responsibility activities in Germany?” (environment, employees, community, education, other)

\*Note: Multiple answers could be given. 64 responses were evaluated.

## **F. Tradeshow**

- Germany is the trade show capital of the world. Most of the world's largest and most prestigious trade events take place in Germany. For example, the world's largest trade fairs in the travel and tourism (Internationale Tourism-Börse—ITB), medical equipment (Medica), information technology (CeBIT), and hunting equipment (IWA & Outdoor Classics) sectors all take place on German soil.
- In 2008, 5,036 American companies took part in 132 different trade shows throughout Germany.
- Key trade shows in which U.S. companies participate include ITB, with 247 U.S. participants, Medica, with 411 U.S. participants, the Frankfurt Book Fair, with 662 U.S. participants, and CeBIT, with 128 U.S. participants.
- U.S. firms come to Germany to conduct global business at these shows, which are truly international. American business people meet their business partners from Europe, Asia, the Middle East, and Latin America at these massive trade events and conduct their global business dealings centrally in Germany. U.S. exporters can reach potential buyers all over the world through one trade show in Germany.
- This U.S. participation in German trade fairs equals to well over \$25 million in participation fees to German trade show organizers.